news & views
ON THE ECONOMICS OF MEDICINE

Prepared by the Department of Medical Economics.
The Canadian Medical Association.
November 1, 1969, Number 205

Ontario's Medicare Plan

Ontario introduced its Medicare Plan on October 1, 1969. Monthly premiums are $5.90 for single persons, $11.80 for couples and $14.75 for families. Subsidies of 50 to 100% of premiums are available for low-income persons. Benefits are 90% of the current O.M.A. fee schedule.

A doctor may submit his account to the patient, the Plan, or both. He is not required to opt-in or opt-out. The law does, however, require him to notify the patient in advance if he wishes to charge more than the 90% plan payment.

The Ontario Division does not negotiate with government in the same sense as the profession in some other provinces has become accustomed to. The O.M.A. has, for many years, stated that its fee schedule was the profession's business and insurance benefits were not. The medicare legislation requires the O.M.A. to notify the Minister of Health six months in advance of a fee schedule change. Provision is then made for conversations between the O.M.A. and the Minister of Health, or the Ontario Health Insurance Council. The Council will then make recommendations to the Minister as to whether the new schedule will become the basis for insurance benefits.

Perhaps the most contentious issue in the introduction of the new Ontario Plan has been the right of the individual to insure himself against additional medical costs. Ontario's legislation prevents any insurer from selling a contract covering the cost of physicians' services above the basic plan benefit. Legislation in Alberta and Newfoundland also precludes this type of coverage, but in these provinces the comprehensive or major medical type of insurance contract did not previously have wide acceptance.

Ontario was different. Many pre-existing contracts by private insurers included this type of coverage. The public objected, as they were, in many instances, being asked to pay more for less coverage and then prevented from insuring themselves adequately. The Ontario Government indicated that they would reconsider this question. Mr. Munro, speaking for the Federal Government, stated that the restriction must remain for the Ontario Plan to qualify under the Federal legislation.

Mr. Munro's statement is perhaps the clearest indication of the future course of Federal Government action which constitutes a common problem to all provincial programs. Meek acceptance by provincial governments of Ottawa's interpretation of their legislation will forever place the provinces in a subordinate position.

Let us look at this question of additional coverage. It is not mentioned in Federal legislation. Mr. Munro's interpretation can only refer to two possible sections of the Federal Act. One stipulates that a provincial plan will not qualify if eligible recipients are precluded or prevented from obtaining necessary medical

Our sources of information are private communications and published comments in medical journals and the lay press. These are usually reliable but incorrect quotation or interpretation is always possible.

care. The other provides that benefits and coverage must be made available on equal terms and conditions.

The "equal terms and conditions" requirement also applies to hospital insurance. Here legislation prevents private insurers from offering contracts for basic coverage. However, many Canadians carry coverage for semi-private accommodation and, in addition, it is perfectly legal for the public to obtain supplementary coverage which indemnifies them against extra hospital costs. If this type of coverage meets the requirement of "equal terms and conditions" in hospital insurance, why does it not meet these requirements in medicare?

The other possible interpretation underlying Mr. Munro's statement is that insurance against extra medical costs would, in some way, pose a barrier to persons obtaining necessary medical care. This is preposterous! Insurance protects the public against cost — how can it be a barrier to care? The only other possibility is that Mr. Munro is using the leverage of Federal financial contributions to mould the provincial programs as he wants them to develop — whether or not any legal basis exists to support his interpretation. His real concern, in this instance, is that insurance against extra costs would obtain wide acceptance and thus would reflect adversely on his medicare program.

Loose wording of the Federal medicare legislation allows Mr. Munro and his officials to interpret them as they wish. There is more than a suggestion that some provincial governments are not displeased with this arrangement. Certainly it allows unpopular decisions to be made at a distance. However, provincial governments must recognize that in acquiescing, they are giving up an important part of their own decision-making process. Ontario should not quietly accept Mr. Munro's statement in this instance or they will find that future questionable interpretations will be much more easily and readily made in Ottawa.

B. E. Freamo

C.M.A.R.S.P.
C.M.A.I.F. UNIT VALUE

August 31, 1969	$23.63
September 30, 1969	23.71
Unit Value Increase	.3%

Next Contribution Dates

C.M.E.F. & C.M.A.I.F.	November 25
C.M.R.S.P. & C.M.A.R.S.P.	November 9